



Department of Justice

FOR IMMEDIATE RELEASE
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JUSTICE DEPARTMENT FILES ANTITRUST COMPLAINT AGAINST UTAH HOSPITALS

WASHINGTON, D.C. -- Eight Utah hospitals, the Utah Hospital Association, and the Utah Society for Healthcare Human Resources Administration were charged with illegally conspiring to exchange wage information regarding registered nurses, according to the Department of Justice's Antitrust Division.

The conspiracy stabilized registered-nurse entry wages and limited the amount and frequency of registered-nurse entry wage increases in Salt Lake County, Utah, the Department said.

The Department filed a civil antitrust suit and three consent decrees in U.S. District Court in Salt Lake City, Utah. The consent decrees, if approved by the court, would settle the suit against all defendants.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said, "This case demonstrates the Antitrust Division's determination to investigate and prosecute agreements among competitors to exchange current and prospective wage information."

The hospital defendants named in the suit are:

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--St. Benedict's Hospital
--IHC Hospitals Inc.
--Holy Cross Hospital of Salt Lake City
--Pioneer Valley Hospital Inc.
--Lakeview Hospital Inc.
--Mountain View Hospital Inc.
--Brigham City Community Hospital Inc.
--HCA Health Services of Utah Inc., which does business as
St. Mark's Hospital.

These organizations own and operate hospitals in or near the
Salt Lake City area.

The Utah Society for Healthcare Human Resources
Administration is a professional association comprised of human
resource directors from most of the hospitals in Utah. The Utah
Hospital Association is a trade association of hospitals in Utah
and is the state chapter of the American Hospital Association.

According to the complaint, the defendants conspired to
exchange registered-nurse entry wage information from January
1984 through June 1992. The conspiracy grew out of a series of
meetings, surveys, and telephone calls among the hospitals in
which the defendants exchanged current and prospective
information about their registered-nurse entry wages.

The consent decrees would prohibit the hospitals from
agreeing to fix the compensation paid to nurses, and from
agreeing to exchange, or actually exchanging, information

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concerning the current or prospective compensation paid to nurses, except in limited circumstances.

The consent decrees also would prohibit the Utah Society for Healthcare Human Resources Administration and the Utah Hospital Association from conducting or facilitating any exchange or discussion among hospitals concerning compensation paid to nurses, except in limited circumstances.

Additionally, the consent decrees require the defendants to institute comprehensive antitrust compliance programs and to submit annual written certifications regarding decree compliance throughout the 5-year term of the decrees. The court's approval of the consent decrees after a required 60-day public comment period would terminate the suit.

The Utah Attorney General is simultaneously entering into a settlement of a civil antitrust case against the University of Utah for its alleged role in the same nurse wage conspiracy, and for alleged physician price fixing. The University of Utah operates the University of Utah Medical Center in Salt Lake City.

The State's consent decree provides the same basic relief for nurse's compensation that is contained in the federal decrees. The State decree also will prohibit the University of Utah from allocating hospital services with any competing facility or from requiring subspecialist pediatricians to negotiate contracts with managed care plans exclusively through the University of Utah.

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The State decree further provides that the University will take whatever steps are necessary to prevent the reformation of Pediatric Faculty Physicians Inc., which was involved in negotiating physicians fees, or the creation of any similar organization.

The State has agreed to provide the Department with all information obtained in any compliance review under the State decree and to obtain any additional documents or information the Department requests.

Consistent with Assistant Attorney General Bingaman's efforts to encourage state authorities to pursue appropriate cases under their antitrust laws, the Department of Justice deferred to the State of Utah's decision to pursue a settlement with the University of Utah under the Utah Antitrust Act.

The federal matter is being handled by the Professions and Intellectual Property Section of the Antitrust Division, Washington, D.C. Public comment on the proposed decrees is invited within the statutory 60-day comment period. Interested persons may address comments to Gail Kursh, Chief, Professions and Intellectual Property Section, U.S. Department of Justice, Antitrust Division, 555 4th Street, N.W., Room 9903, Judiciary Center Building, Washington, D.C., 20001 (telephone: 202/307-5799).

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